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A Guide to Mineral Exploration Legislation in Nova Scotia

Nova Scotia Department of Natural Resources
Mineral Resources Branch
Registry of Mineral and Petroleum Titles
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NOVA SCOTIA
Natural Resources

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A Guide to Mineral Exploration Legislation in Nova Scotia

Note: This document has been prepared for convenience only. For accurate reference the reader should consult the statutes (i. e. Mineral Resources Act, 1990, c.18 and amendments thereto and Regulations, O-I-C 2004-435, N. S. Reg. 222/2004 as amended to O.I.C. 2005-62, N.S. Reg. 19/2005 and any amendments thereto.)

More info

OWNERSHIP OF MINERALS

"MINERAL" as defined under the Mineral Resources Act includes all common mineral substances except ordinary stone, building stone, aggregates (both crushed and granular), peat, peat moss or ordinary soil, oil or natural gas, gypsum and limestone. A few deposits of the latter commodity have specifically been declared a mineral under the Act. Otherwise rights to most gypsum and limestone and all stone, sand, gravel, peat and soil are attached to the ownership of the surface (private or Crown) and are administered under other statutes.

IDENTIFICATION OF MINERAL RIGHTS

Mineral rights in Nova Scotia are acquired and located by means of a simple map staking system. The procedure eliminates the necessity of establishing claim lines on the ground and any related line cutting/ blazing/flagging. If required, claim boundaries can be located in the field by a qualified surveyor; however, this rarely becomes necessary until the actual mining stage is reached.

Figures 1, 2 and 3 illustrate how a mineral claim is derived by subdivision of a standard NTS map sheet. Each claim reference map comprises 108 tracts of 16 claims per tract. Each claim is identified by a specific reference map, tract and claim designation (e.g. 11E/16 A - Tract 1 - Claim A).

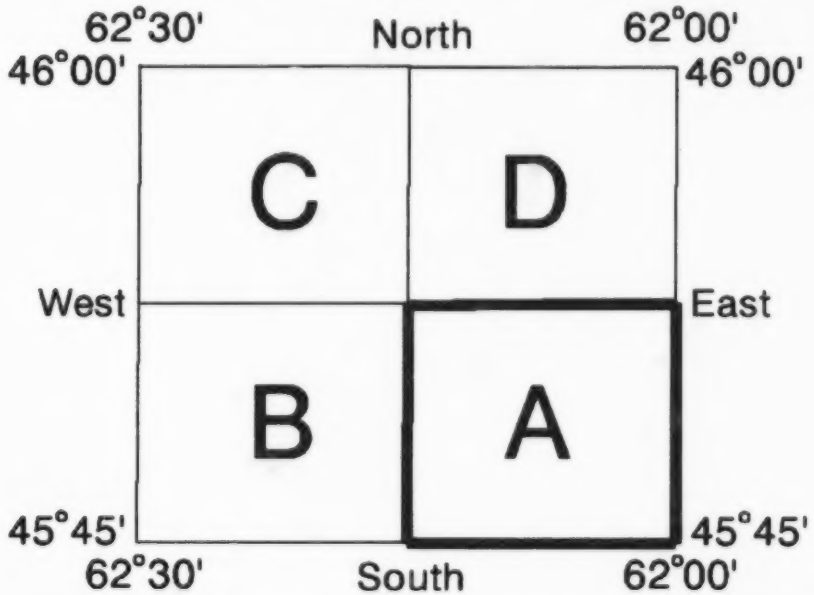

***Figure 1**. National Topographic System (NTS) map area (1:50 000 scale) showing subdivision into claim maps A, B, C and D. Map sheet A is further subdivided into tracts in Figure 2. The highlighted block is map sheet NTS 11E/16A.*

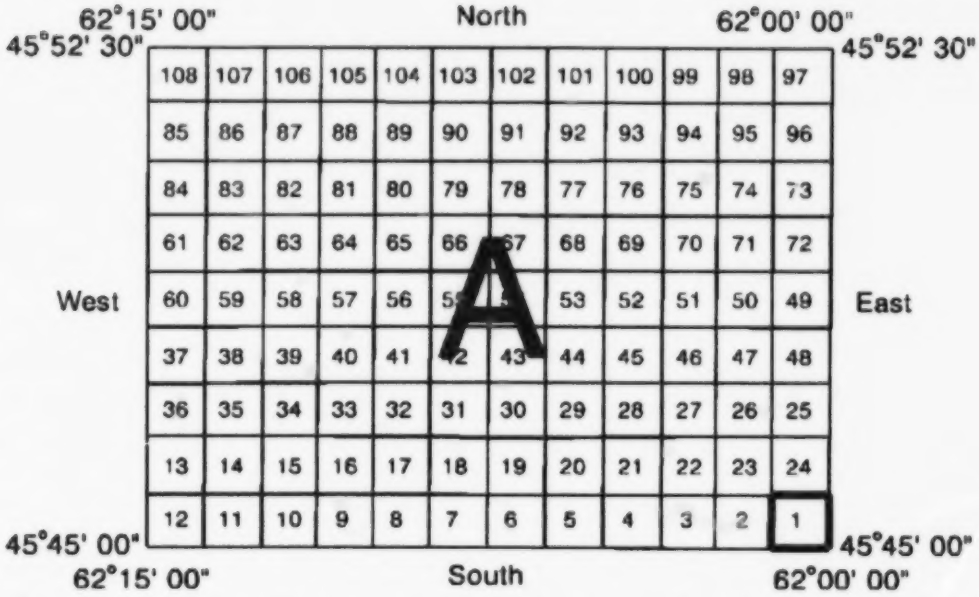

Figure 2. *Subdivision of NTS map into mineral claim tracts. Tract 1 is further subdivided in Figure 3. The highlighted block is NTS 11E/16A, Tract 1.*

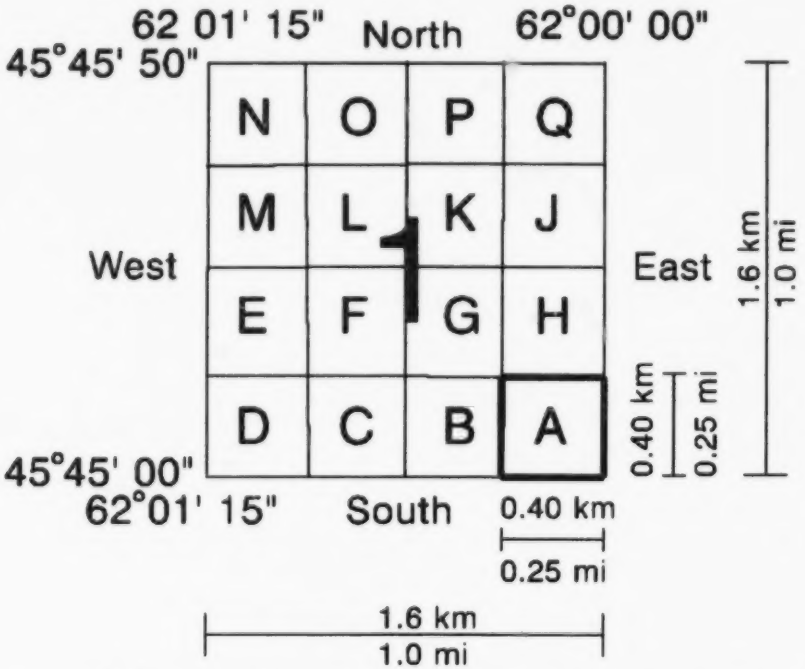

Figure 3. *Subdivision of tract into mineral claims. The highlighted claim at lower right is NTS 11E/16A, Tract 1, Claim A. Individual mineral claims are 0.4 km (¼ mile) square.*

PROSPECTING AND REGIONAL EXPLORATION

The Act allows an individual (19 years or older) or a company to conduct prospecting or regional exploration upon lands that are "open" or available for staking upon the following conditions:

1. that such persons register with the Department and receive a Prospectors Identification card, — More info Form No. 4
2. that only non-disturbance type work (e.g. outcrop mapping, soil sampling, most geophysical surveys) is carried out, and
3. that permission to enter upon lands be obtained from the relevant landowners before prospecting commences.

By this mechanism it is now possible to conduct a preliminary assessment of available ground before committing to an exploration licence.

It should be noted that a moratorium on exploration for uranium currently exists. Every person is required to notify the Registrar as soon as they identify uranium mineralization and to cease work if the concentration of that element exceeds 100 parts per million.

Generally speaking prospecting may not be carried out upon lands designated as National Parks, Candidate Protected Areas, Special Places or for use by the Department of National Defence or for the purpose of Federal Penitentiaries. Exploration upon Indian Reserves requires the consent of the landowner and upon Provincial Parks and lands closed by the Department of Natural Resources, the approval of the Governor in Council.

The Department must be consulted regarding any proposed exploration activity in Municipal Water Supply Watershed areas. Consultation with the Department of Environment and Labour and the local operator of the water works may also be necessary.

ACQUIRING EXPLORATION LICENCES

An exploration licence entitles the holder to conduct exploration upon the licence area with the landowner's permission, to remove minerals from it for test purposes (not for sale) and to apply for a mining lease within the boundaries of the licence.

Application for single or multiple exploration licences must be made on the prescribed form (**Form No. 6** - Application for Exploration Licence) by identifying the coterminous claims (i.e. adjoining on one side- maximum of 80 per licence) and their relevant tract numbers and claim reference maps. Such maps are available for public inspection at the Halifax office of the Department (they may also be obtained by mail order). The maps indicate the boundaries of all mineral rights and mining permits with respect to topographic features on a scale of 1:25 000 (1 cm. = 25 000 cm). Each licence area displays the name of the licensee and a date. The date indicates either the time at which the licence was first issued or, subject to Registry considerations, most recently renewed. — More info Form No. 6

Applications for new licences must be accompanied by the required fee ($5 per claim) and may be submitted to the Registrar in person, by mail or by courier (NOT by FAX). Those applications presented in person at the office of the Registrar in Halifax between the hours of 10:00 a. m. and 4:00 p. m. receive priority over all others. Every applicant for a mineral right on the occasion of submitting his first application has 15 days to file basic information (**Form No. 7**) with the Registrar (and 30 days to file any subsequent material changes). Additionally, if the applicant and/or a partner wish to record a partial interest in the mineral right, they will have to file a Caveat (**Form No. 3**), thereby providing notice to any other party of the recorded interest. — Form No. 7 More info Form No. 3

Applications will not be accepted for any claim:

a. already held under licence, permit or lease,
b. already applied for,
c. renewed during a period of extension granted by the Registrar, or
d. applied for by the former licensee or any associate of such licensee within 90 days of its expiry.

Once an exploration licence has been issued and the licensee has obtained the permission of the landowner (the Minister of Natural Resources in the case of Crown lands) then assessment work designed to prove the existence of a mineral deposit may begin. The usual non-disturbance activities of geological, geochemical and geophysical surveying may proceed without further authorization.

Exploration for certain minerals, notably coal, salt and potash, may only be conducted under a Special Licence approved by the Governor in Council and subject to specific terms and conditions.

More info
Form No. 6

EXCAVATION AND DRILLING

When exploration activities may cause significant ground disturbance some additional requirements must be met. In the case of any trenching, pitting or stripping by mechanical means (or by hand if exceeding one meter in depth) an Excavation Registration (**Form No. 12**) must be made at least 7 days before commencement of the activities with the Registrar. If the information required to be submitted to the Registrar is incomplete, the Registrar may refuse to record an excavation registration. There is no charge for the registration which allows the Department to monitor the activity and ensure that reclamation is carried out in a timely manner (in some circumstances a bond may have to be posted). It would be a contravention of the Act if a report of trenching, for example, was submitted to the Registrar and no registration had been recorded by the Registrar.

More info

Form No. 12

Whenever holes are to be drilled to obtain geological, geochemical or geophysical data (i.e. rotary, churn, auger, and diamond drill holes, possibly percussion holes if employed in soil sampling or seismic surveys, but not if only for rock breaking purposes) the Registrar must be notified prior to the commencement of drilling and some basic information provided (**Drilling Notification Form**). a tabulation of relevant data must be supplied within 30 days of the completion of the drilling program. Failure to meet these requirements would also constitute an offence under the Act.

More info

Drilling Notification Form

MAINTAINING AN EXPLORATION LICENCE

An exploration licence may be renewed indefinitely as long as certain annual conditions are met. Foremost of these is the requirement to conduct work upon the ground held and to report the results.

The minimum amount of work that must be carried out in the evaluation of the mineral potential of a claim ("assessment work") is $200 per year during the first 10 years of the licence. This requirement increases to $400 per year for years 11 to 15 and to $800 for all subsequent years.

In order for assessment work to be credited to a licence it:

a. must provide new or additional geotechnical data relating to the area,
b. must be reported in the prescribed manner,
c. must substantiate costs that are acceptable to the Registrar, and
d. must not have previously been accepted for credit.

A wide variety of activities qualify as "acceptable work" and their cost is credited at full and fair value. Such work includes prospecting, excavating, line cutting, surveying (geological, geochemical, geophysical, topographical), drilling, assaying and underground exploration work. Reasonable expenses for accommodation, food, meals and transportation may also be approved by the Registrar. Expenditures upon airborne or preliminary ground surveys may be credited at up to 1.25 times their cost if acceptable data is submitted in a timely manner.

Form No. 10

A bona fide prospector is entitled to seven renewals of his licence upon the annual submission of a prescribed and standardized "prospector's statement" (**Form No. 11** with appropriate maps). For this purpose only each eight-hour day that the prospector works on the licence is credited at $50.00. Form No. 11

Credit is also allowed, to a maximum of ten percent of the total cost of acceptable work, for various secondary expenses including: capital costs of buildings, machinery, access roads; expense of reclamation, environmental studies, compensation to landowners, drafting and office maintenance. Licensees are encouraged to file all assessment work in a timely manner considering that work filed after the licence year in which it was conducted may be credited at only 50% of its documented value and any excess work accumulated may be applied to subsequent renewals of the licence up to a maximum of 10 years following the date of submission.

When a licensee has been unable to conduct any work, or to do sufficient work to renew the licence, a payment-in-lieu of work may be acceptable. Such payment may be refunded if the licensee during the subsequent year conducts excess work sufficient to cover the previous year's deficiency. However, the payment-in-lieu option may only be exercised once in each five-year period of the licence (e.g. once in years 1 to 5, once in years 6 to 10, etc.)

FILING ASSESSMENT WORK

An assessment work report is required for each exploration licence or group of coterminous licences or as may otherwise be approved by the Registrar.

Assessment work must be reported in either (a) a technical report or (b) a prospector's statement accompanied by a statement of expenditures.

The minimum requirements for a technical report are described in detail in the regulations, with specific inputs defined for reports consisting of or related to geology, geochemistry, geophysics, drilling, excavating or metallurgical studies. As onerous as these regulations may appear to be they are not any more stringent that the standards self-imposed by most professional explorationists. For Departmental purposes they provide for a uniformity of format, content and document dimensions which enhances their value to a variety of potential users. More info

The prospector's statement is a prescribed form (**Form No. 11**) being predominantly of a "fill in the blanks" nature. It must be accompanied by a basic map (an enlarged portion of a claim reference or topographic map may be acceptable) to locate significant field observations. The statement relieves the prospector of the need to prepare a lengthy written description of his survey and provides the Department with standardized inputs that should prove to be of greater value than those previously submitted. Form No. 11

All reports respecting assessment work are held in confidence by the Department for two years from the date of submission, unless the licence is terminated for some reason. At the end of this two year period, the reports would be released or, if the licensee requests, information may be released prematurely.

RENEWAL AND OPTIONAL PROCEDURES

An exploration licence expires one year from the date of its issue unless it is renewed. It may be renewed only once in each licence year.

More info

The following requirements for renewal must be received by the Registrar on or before the anniversary date of the licence:

a. a completed application (**Form No. 6**). Form No. 6
b. the required fees (e.g. $5 per claim).
c. a technical report or prospector's statement (**Form No. 11**), and Form No. 11
d. a statement of assessment work expenditures (**Form No. 10**). Form No. 10

In certain circumstances (c) and (d) above might be omitted in favour of a payment-in-lieu of work or a request that work credits previously accumulated be applied to the renewal.

In exceptional circumstances and for good cause the Registrar, if he is satisfied that the required work has been done and a statement of expenditures filed, may grant a single extension of time (for a period to be determined by him) for the filing of the report.
When the annual exploration licence renewal requirements are submitted on the anniversary date and again on the following day, a kind of advanced renewal is triggered in that the licence is effectively in good standing for two years less one day during which period the licensee has to meet no further renewal obligations.

If an exploration licence is unintentionally allowed to expire it may be reinstated and renewed by the Registrar provided that the area has not been applied for or issued to another person and that the licence is to be renewed on the submission of work or work credits, not a payment-in-lieu of work.

Once the conditions of renewal have been fulfilled, the Registrar will issue a certificate of compliance which confirms the extension of the licence until the next anniversary date.

An exploration licence will not lapse because of any delay in the processing of the renewal caused by the Registrar.

The Registrar has the authority, upon the request of a licensee, to provide the following administrative benefits:

a. consolidation of licence anniversary dates for the convenience of meeting a number of renewal requirements on a single given day, and
b. regrouping of coterminous licences to create one new licence and to minimize renewal procedures.

Whenever a licensee enters into an agreement with a third party - commonly giving that party the option to a acquire an interest in the mineral right, possibly by a transfer of the licence - the licensee is required to submit a summary of such agreement (**Form No. 2**) with the Registrar. The summary records general data regarding the parties to the agreement and may be held in confidence by the Department if it is marked "for information purposes only". More info Form No. 2

Similarly, when a licensee intends to convey a licence or an interest in such mineral right to a third party it must be formally recorded by the Registrar (**Form No. 1** - "Notice of Transfer of Mineral Right"). Failure to file a summary or a transfer with the Department will render such document ineffective for the purpose of the person to whom the transfer is or may be made. More info Form No. 1

INFORMATION SOURCES

If you have an questions involving claims or staking procedures, call the Registry of Mineral and Petroleum Titles at (902) 424-4068.

Application forms may be obtained from the Registry of Mineral and Petroleum Titles, P. O. Box 698, Halifax, Nova Scotia B3J 2T9 or in person at 1701 Hollis Street, Halifax, 3rd floor, between 10 a. m. and 4 p. m. weekdays excluding Saturdays, Sundays, and holidays.

The library, located in Halifax, contains microfiche records of past exploration assessment reports, geological reports, general information about the mineral industry in Nova Scotia, extensive holdings of geological and geophysical maps and a large number of textbooks, journals, and government reports.

The Stellarton Core Library contains Minerals and Energy Branch maps and publications for reference purposes along with microfiche copies of assessment reports and open files.

Halifax - Library
3rd Floor, Founder's Square
1701 Hollis Street
P. O. Box 698
Halifax, Nova Scotia
Canada
B3J 2T9
(902) 424-8633

Stellarton - Core Library
Acheron Court
P. O. Box 999
Stellarton, Nova Scotia
Canada
B0K 1S0
(902) 752-4842

Two additional pamphlets, *Mineral Rights, Landowners, and Mineral Exploration* and *Directory of Goods and Services for Exploration Companies* can be obtained from either facility.